

MEMO# 35924

November 13, 2024

ICI Submits Comment Letter in Response to Saver's Match RFI, Notice 2024-65

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TO: ICI Members

Pension Committee

Pension Operations Advisory Committee SUBJECTS: Pension

Tax RE: ICI Submits Comment Letter in Response to Saver's Match RFI, Notice 2024-65

ICI on November 7, 2024, submitted the attached comment letter to Treasury and IRS providing preliminary recommendations for regulations to implement the Saver's Match contribution requirements of section 103 and 104 of the SECURE 2.0 Act.[\[1\]](#) Section 103 replaces the current Saver's Credit program under section 25B of the Internal Revenue Code ("Code") with a refundable Saver's Match contribution, effective for plan years beginning after December 31, 2026. Notice 2024-65 requests comment on a broad range of issues as Treasury and IRS begin work on implementing regulations.[\[2\]](#)

ICI's comment letter notes our feedback reflects preliminary discussions with member firms, and does not attempt to address every question in the Notice or to provide definitive final recommendations for those questions we address. Our letter provides commentary in the following areas.

- It is critical that the process for individuals to claim the Saver's Match contribution be simple and easily understood. A more approachable process will help ensure the success of the Saver's Match program.
- Treasury and IRS should require that individuals provide them with the information required to claim and receive a Saver's Match contribution, and not look to plans and IRA providers to provide any of this information directly to Treasury and IRS on behalf of the individual. To this end, plans and IRA providers should be permitted to make the needed plan or IRA specific information accessible to individuals, such as via plan or IRA web platforms.
- Treasury and IRS should facilitate the automatic transfer of information regarding Saver's Match contribution destinations to plans and IRA providers, as well as the automatic reporting back to Treasury and IRS of any information that is incorrect or incomplete. These processes could leverage the implementation of APIs between Treasury and IRS systems and plan and IRA service provider systems.
- It is critical that any transfers of Saver's Match funds from Treasury to plan or IRA

custodians or other service providers not include funds as to which there is not a verified proper destination (i.e., an individual with the specified account at the institution). Plan and IRA service providers face numerous limitations on their ability to hold unallocated funds.

- Treasury and IRS should continue seeking input on the process for depositing Saver's Match contributions, including whether transfers should be made on an individual or batched basis. While preliminary discussions with our members indicate a preference for batched transfers in the plan context, there are mixed views in the IRA context. As such, with respect to both plans and IRAs we are unable to provide a conclusive recommendation at this time. In soliciting further feedback on this question, Treasury and IRS also should consider whether it may be necessary to offer individual transfers for plan and IRA providers who are not in a position to accept batched transfers.
- Treasury and IRS should pursue a flexible approach to any requirement for plans and IRAs to separately track Saver's Match funds. Treasury and IRS should confirm that plans do not need to track earnings on Saver's Match contributions for purposes of the Code section 6433(f)(2)(C) limitations on considering Saver's Match contributions for purposes of hardship and unforeseeable emergency expense distributions. We also recommend Treasury and IRS exercise their discretion under Code section 6433(f)(6)(D) to provide that the allocation of investment losses for purposes of Saver's Match Recovery tax offsets is based on the performance of the entire account, rather than on losses specifically attributable to Saver's Match contributions.
- Treasury and IRS should confirm that plans and IRAs should report Saver's Match contributions for the year the plan or IRA receives the funds.
- Any required disclosures to individuals should be permitted to be included in other plan communications, and such disclosures should not be required to be individualized.

We anticipate further discussions with members as Treasury and IRS continue to solicit stakeholder feedback.

David Cohen
Associate General Counsel, Retirement Policy

Notes

[1] For a summary of the SECURE 2.0 Act, see ICI Memorandum No. 34795, dated January 12, 2023, available at <https://www.ici.org/memo34795>.

[2] For a discussion of Notice 2024-65, see ICI Memorandum No. 35860, dated September 20, 2024, available at <https://www.ici.org/memo35860>.